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(D. P. Zornai)

Hills Bank and Trust Company

131 Main Street
Hills, Iowa 52235
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September 16, 2005

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FDIC
San Francisco Regional Office
Director Johns F. Carter
25 Jessie Street at Ecker Square
Suite 2300
San Francisco CA 94105

RE: Wal Mart ILC Application

To the FDIC:

This is to express our concern with regard to the application of Wal Mart to enter the banking business. We have two main concerns:

1. Separation of Banking and Commerce

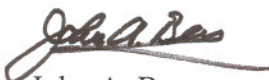
Mixing banking and commerce is bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest. Congress reaffirmed its opposition to the mixing of banking and commerce in the Gramm-Leach-Bliley Act. Prohibitions of such combinations go back to the Depression and we would ask you to explore the historical lessons before repeating the mistakes.

2. Concentration of Power

The systemic risk posed by a Wal-Mart bank would be enormous. Wal-Mart already controls 8% of the non-restaurant, non-automotive sales in the U.S. With a branch of Wal-Mart Bank in every store, it would represent a dangerous and unprecedented concentration of economic power.

We respectfully request that you consider these concerns and that you not grant the application of Wal-Mart to enter the banking business.

Sincerely,



John A. Benson
Vice President and
Senior Credit Officer



Karen S. Megchelsen
Compliance Officer